



May 8, 2014

Gerald Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

Mr. Poliquin,

I am writing to complain and object to the proposed Risk Based Capital regulation. I have been in the credit union movement/business for more than 33 years. Many of those years have included quite a few turbulent economic cycles and through it all, credit unions have weathered the storm. When I first entered the credit union world, 5% capital was good enough, then under regulator suggestions, CUNA, the leagues, and credit unions **all met together** and raised the bar to 7% as an adequate capital level. That was in the 80s for those at NCUA who missed the early years. And now NCUA is taking it upon themselves to mandate even more capital all without the benefit of working with the rest of us involved in the movement/business (I use both because I believe it is a movement yet I doubt some at NCUA knows what it means).

Our Central FL Postal CU was chartered in 1930, a time of turmoil in financial institutions that many did not survive, the Depression. Flash forward to 2009 and the great Recession hit us all again, but we survived, thanks in part to a thoughtful conservative Board of Directors that knew the value of capital. That capital was earned over the years and put aside for "a rainy day." We had mortgage related loans on our books; many of which went into default as we tried to work with members during their difficult times. We still have delinquent mortgage related loans we will take a loss on in time.

We are not opposed to having more capital than where we stand today, 7.81%. What we are opposed to is the way NCUA is going about this proposed capital requirement. A regulator should work with the regulated in order to come up with an agreement that both parties deem appropriate. A comment period cannot be considered working together. It is comparable to texting a message to a spouse "I am filing for divorce." Perhaps I am old fashioned, but meeting face to face with affected parties allows for discussion that comment periods do not facilitate.

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The current "proposal" is a start to a sit down meeting for discussions. I am sure many people have commented on the excessive Capital proposal you have offered us; I too believe it is excessive and dictatorial in the way it is presented to us. If my comment is "don't mandate this" will you not mandate? I doubt it, but my answer is still NO. This proposal will affect the way we lend and that is **not acceptable**. Under the proposal we would fall from well capitalized in the current system to adequately capitalized in the proposed system. Yet, both our state regulator and NCUA were just in our credit union last week and had no issues with our current operations and status; safety and soundness were both present.

On behalf of the Central Florida Postal CU Board of Directors and Management, we object to the proposed Risk Based Capital regulation. Our recommendation is to postpone implementation and schedule several meetings with representatives from CUNA, NAFCU, the Leagues and credit unions to debate and discuss a compromise to the end result you are trying to achieve.

Sincerely,

James J. Weibert, CLE, CCUE, CCE
President/CEO

cc. Board of Directors